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May 17, 2004

Honorable James H. Welsh  
Commissioner of Conservation  
State of Louisiana  
Post Office Box 44275  
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

Lower Cotton Valley Formation, Reservoir A; Cotton Valley "D"  
Zone; and Hosston (Travis Peak) Formation; SLIGO FIELD,  
Bossier Parish, Louisiana.

Dear Sir:

GREYSTONE PETROLEUM, L.L.C. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Lower Cotton Valley Formation, Reservoir A; the Cotton Valley "D" Zone; and to the Hosston (Travis Peak) Formation; all in the Sligo Field, Bossier Parish, Louisiana:

1. To permit Applicant to drill, designate and utilize one (1) additional alternate unit well for HOSS TP SUO, four (4) additional alternate unit wells for HOSS TP SUP, two (2) additional alternate unit wells for HOSS TP SUQ, three (3) additional alternate unit wells for HOSS TP SUR, and one (1) additional alternate unit well for HOSS TP SUS, at the locations shown on an attached plat.
2. To permit Applicant to drill, designate and utilize four (4) additional alternate unit wells for CVD SUN, one (1) additional alternate unit well for CVD SUW, one (1) alternate unit well for CVD SUX, five (5) additional alternate unit wells for CVD SUAA, and two (2) additional alternate unit wells for CVD SUDD, at the locations shown on an attached plat.
3. To permit Applicant to drill, designate and utilize four (4) additional alternate unit wells for LCV RA SUA, five (5) additional alternate unit wells for LCV RA SUB, one (1) additional alternate unit well for LCV RA SUE, one (1) alternate unit well for LCV RA SUF, and two (2) additional alternate unit wells for LCV RA SUJ, at the locations shown on an attached plat.

4. To approve exceptions to the well location provisions of Office of Conservation Order No. 8-B, effective September 1, 1956 (applicable to the Cotton Valley "D" Zone and Hosston [Travis Peak] Formation), and Office of Conservation Order No. 8-K, effective October 16, 1990 (applicable to the Lower Cotton Valley Formation, Reservoir A), for any of the proposed wells the location of which, as shown on the attached plats, does not comply with the well location provisions in said Orders.

5. To find that each of the proposed alternate unit wells is necessary to efficiently and economically drain a portion of the unit on which it is proposed to be drilled which cannot be efficiently and economically drained by any existing well on such unit.

6. To permit the operator of the above described units to produce the allowable assigned to a unit from either the unit or substitute unit well, any alternate unit well, or from any combination of such wells, at the option of the operator.

7. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Lower Cotton Valley Formation, Reservoir A, in the Sligo Field, Bossier Parish, Louisiana, was defined in Office of Conservation Order No. 8-K, effective October 16, 1990.

The Cotton Valley "D" Zone and the Hosston (Travis Peak) Formation in the Sligo Field, Bossier Parish, Louisiana, were defined in Office of Conservation Order No. 8-B, effective September 1, 1956, and the Hosston (Travis Peak) Zone was redefined as to the unit designated HOSS TP SUO by Office of Conservation Order No. 8-B-59, effective November 14, 1995.

Pertinent data concerning this application is available for inspection at the offices of Joe B. Adams, 9141 Interline Avenue, Suite 3A, Baton Rouge, Louisiana 70809. Any person desiring to inspect such data should call Mr. Adams at (225) 929-6097 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Honorable James H. Welsh

May 17, 2004

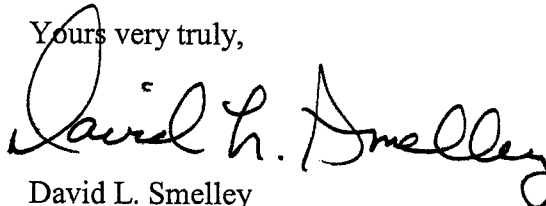
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Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of the three (3) attached plats, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to each of the Interested Owners, Represented Parties and Interested Parties shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Sligo Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

A check payable to the Office of Conservation and covering the application fee is enclosed.

Yours very truly,



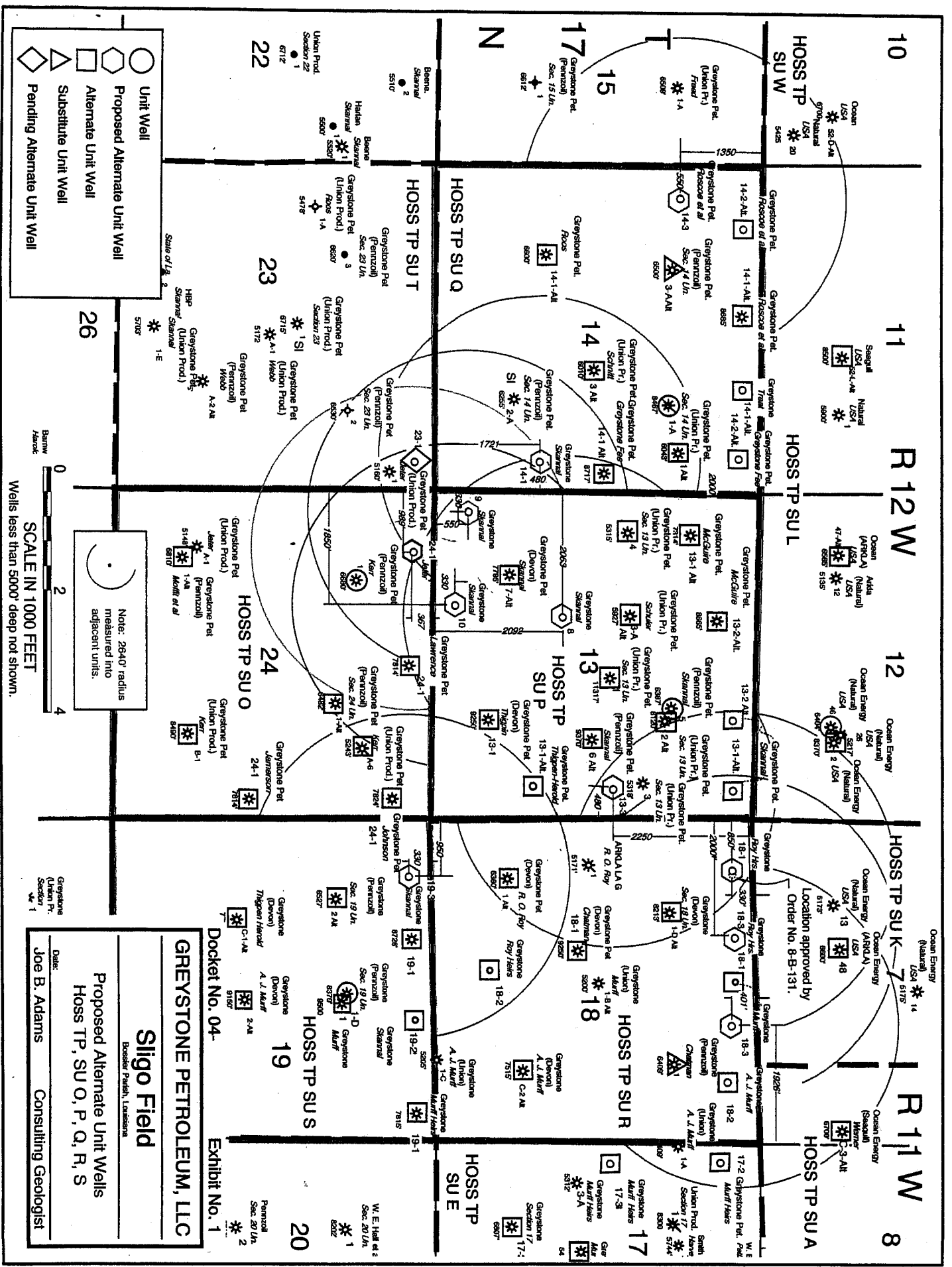
David L. Smelley

-- Attorney for Greystone Petroleum, L.L.C.

DLS:dp

Enclosures

cc: Mr. Jim Broussard (w/encls.)  
Mr. Carl Drews (w/encls.)  
Mr. Joe Adams (w/encls.)  
Ms. Kaye Davis (w/encls.)  
Interested Owners, Represented  
Parties and Interested Parties (w/plats only)



Location approved by  
Order No. 8-B-131.

